

FILED

AUG 11 2017

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In re:	:	Case No. 12-23412-GLT	CLERK, U.S. BANKRUPTCY COURT WEST DIST. OF PENNSYLVANIA
LANCE P. MCCULLOUGH,	:	Chapter 13	
JANELLE L. MCCULLOUGH	:		
	:	Related to Dkt. Nos. 165, 166, 167, 169, 170, 172, 173-1, 174	
<i>Debtors.</i>	:		

**ORDER FINDING NAVIENT SOLUTIONS, INC. IN CONTEMPT
OF COURT AND THIRD ORDER TO SHOW CAUSE**

This matter is before the Court upon the *Withdrawal of Claim* filed by Navient Solutions, Inc. (“Navient”) on April 3, 2017 [Dkt. No. 165]. Navient sought to withdraw Claim No. 9, which was originally filed by Sallie Mae Inc. (“Sallie Mae”) on behalf of the Department of Education in the amount of \$129,097.97. Because Navient was not the claim holder of record, the Court issued an *Order* on April 17, 2017 [Dkt. No. 166] (“*April 17 Order*”) requiring Navient to produce evidence of its ownership by filing a transfer or assignment of Claim No. 9 on or before May 17, 2017. Although the Bankruptcy Noticing Center served Navient with the *April 17 Order* [Dkt. No. 167], Navient failed to file a transfer or assignment of Claim No. 9 or otherwise respond to the *April 17 Order*.

The Court issued an *Order to Show Cause* on June 2, 2017 [Dkt. No. 169] (“*June 2 Order*”), requiring Navient to appear personally through a duly-authorized representative or its legal counsel at a hearing on July 12, 2017 to address its failure to comply with the *April 17 Order*. The Bankruptcy Noticing Center served Navient and employees Jennifer Musial and Sarah Honeycutt with notice of the *June 2 Order* [Dkt. No. 170]. Navient failed to appear at the July 12 hearing or otherwise respond to the *June 2 Order*.

In response to Navient’s failure to comply with both the *April 17 Order* and the *June 2 Order*, the Court issued a *Second Order to Show Cause* on July 13, 2017 [Dkt. No. 172] (“*July 13 Order*”). The *July 13 Order* required Navient to appear personally through a duly-authorized

representative or its legal counsel at a hearing on August 9, 2017 to show cause as to why the Court should not hold it in contempt. The Bankruptcy Noticing Center served Navient and employees Jennifer Musial and Sarah Honeycutt and CEO Jack Remondi with the *July 13 Order* [Dkt. No. 173-1; Dkt. No. 174]. Navient failed to attend the August 9 hearing or otherwise respond to the July 13 *Order*. Further, as of the date of this *Order*, Navient has not filed a transfer or assignment of claim.

Navient's continued inaction has wasted the time and resources of the Court, the chapter 13 trustee, and the Debtors and their counsel. The Court has gone to great lengths to compel Navient to resolve what should have been a simple matter to allow this case to proceed. Its efforts have been met with deafening silence.

Based on the foregoing, it is hereby **ORDERED, ADJUDGED, and DECREED** that:

1. As a result of its failure to comply with or otherwise respond to multiple Court Orders (including the *April 2 Order*, *June 2 Order*, and *July 13 Order*) and its failure to attend the July 12 and August 9 hearings, Navient is hereby deemed to be in contempt of this Court.
2. A *Third Order to Show Cause* is hereby issued against Navient, and a hearing is scheduled for **September 6, 2017, at 9:00 a.m.** in Courtroom A, U.S. Bankruptcy Court for the Western District of Pennsylvania, U.S. Steel Tower, 54th Fl., 600 Grant St., Pittsburgh, PA 15219, to consider the appropriate sanctions that may be imposed on Navient, including a monetary fine and additional sanctions of \$100 for each day Navient remains in noncompliance with the Court's Orders. The additional sanctions may continue to accrue until Navient purges itself of its contempt.

3. **A corporate officer of Navient with personal knowledge of the facts and circumstances of this case shall personally appear at the hearing on September 6, 2017,** to show cause as to why this Court should not impose a monetary sanctions on Navient for its conduct. The failure of a corporate officer to appear personally at the hearing may result in additional sanctions against Navient and require the Court to identify a specific officer by name to compel his or her attendance.

4. To the extent Navient wishes to file a response for the Court's consideration,

it shall do so on or before **August 30, 2017**.

Dated: August 10, 2017



GREGORY L. TADDONIO
UNITED STATES BANKRUPTCY JUDGE

Case administrator to mail to:

Lance P. and Janelle L. McCullough
David Z. Valencik, Esq.
Navient Solutions, Inc.
Sallie Mae Inc.
Ronda J. Winneccour, Esq.
Office of the U.S. Trustee

Navient Solutions, Inc.
Attn: Jack Remondi, CEO
123 Justison St.
Wilmington, DE 19801

Navient Solutions, Inc.
Attn: Mark Heleen, Esq., Chief Legal Officer
123 Justison St.
Wilmington, DE 19801

Navient Solutions, Inc.
Attn: Sarah Honeycutt, Litigation Analyst
11100 USA Pky. (MC E-3149)
Fishers, IN 46037

Navient Solutions, Inc.
Attn: Jennifer Musial, Claims Analyst
220 Lasley Ave.
Wilkes-Barre, PA 18706

Sallie Mae Inc. on behalf of the Dept. of Education
Attn: Jennifer Musial, Claims Analyst
P.O. Box 740351
Atlanta, GA 30374-0351

Jennifer Musial
Jennifer.r.musial@salliemae.com

U.S. Attorney's Office
U.S. Courthouse
700 Grant St., Ste. 4000
Pittsburgh, PA 15219

U.S. Attorney's Office
Attn: Jill Lockikar
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Pittsburgh, PA 15219

Corporation Service Co.
251 Little Falls Dr.
Wilmington, DE 19808

In re:
 Lance P. McCullough
 Janelle L. McCullough
 Debtors

Case No. 12-23412-GLT
 Chapter 13

CERTIFICATE OF NOTICE

District/off: 0315-2

User: dkam
 Form ID: pdf900

Page 1 of 1
 Total Noticed: 11

Date Rcvd: Aug 11, 2017

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Aug 13, 2017.

db/jdb +Lance P. McCullough, Janelle L. McCullough, 401 Wissner Avenue,
 Beaver Falls, PA 15010-2965
 +Corporation Service Co., 251 Little Falls Dr., Wilmington, DE 19808-1674
 cr +Navient Solutions, Inc., 220 Lasley Ave, Wilkes-Barre, PA 18706-1430
 +Navient Solutions, Inc., Attn: Jennifer Musial, Claims Analyst, 220 Lasley Ave.,
 Wilkes-Barre, PA 18706-1430
 +Navient Solutions, Inc., Attn: Mark Heleen, Esq., Chief Legal Officer, 123 Justison St.,
 Wilmington, DE 19801-5360
 +Navient Solutions, Inc., Attn: Sarah Honeycutt,, Litigation Analyst,
 11100 USA Pky. (MC E-3149), Fishers, IN 46037-9203
 +Navient Solutions, Inc., Attn: Jack Remondi, CEO, 123 Justison St.,
 Wilmington, DE 19801-5360
 Sallie Mae Inc. on behalf of the Dept.of Education, Attn: Jennifer Musial, Claims Analyst,
 P.O. Box 740351, Atlanta, GA 30374-0351
 +U.S. Attorney's Office, U.S. Courthouse, 700 Grant St., Ste. 4000,
 Pittsburgh, PA 15219-1956
 +U.S. Attorney's Office, Attn: Jill Lockikar, 700 Grant St., Ste. 4000,
 Pittsburgh, PA 15219-1955

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.
 13777686 E-mail/PDF: pa_dc_ed@navient.com Aug 12 2017 01:16:58 Sallie Mae Inc. on behalf of,
 Department of Education, P.O. Box 740351, Atlanta, GA. 30374-0351

TOTAL: 1

***** BYPASSED RECIPIENTS *****

NONE.

TOTAL: 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
 USPS regulations require that automation-compatible mail display the correct ZIP.

Transmission times for electronic delivery are Eastern Time zone.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Aug 13, 2017

Signature: /s/Joseph Speetjens

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on August 11, 2017 at the address(es) listed below:

Andrew F Gornall on behalf of Creditor The Bank of New York Mellon, et al...
 agornall@goldbecklaw.com, bkgroup@goldbecklaw.com;bkgroup@kmlawgroup.com
 Andrew F Gornall on behalf of Creditor BANK OF AMERICA, N.A. agornall@goldbecklaw.com,
 bkgroup@goldbecklaw.com;bkgroup@kmlawgroup.com
 David Z. Valencik on behalf of Joint Debtor Janelle L. McCullough dvalencik@c-vlaw.com,
 cvlaw.ecf.dvalencik@gmail.com;aheath@c-vlaw.com;kmosur@c-vlaw.com;bhassain@c-vlaw.com
 David Z. Valencik on behalf of Debtor Lance P. McCullough dvalencik@c-vlaw.com,
 cvlaw.ecf.dvalencik@gmail.com;aheath@c-vlaw.com;kmosur@c-vlaw.com;bhassain@c-vlaw.com
 Donald R. Calaiaro on behalf of Joint Debtor Janelle L. McCullough dcalaiaro@c-vlaw.com,
 cvlaw.ecf.dcalaiaro@gmail.com;aheath@c-vlaw.com;kmosur@c-vlaw.com;bhassain@c-vlaw.com
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 cvlaw.ecf.dcalaiaro@gmail.com;aheath@c-vlaw.com;kmosur@c-vlaw.com;bhassain@c-vlaw.com
 James Warmbrodt on behalf of Creditor The Bank of New York Mellon FKA The Bank of New York
 bkgroup@kmlawgroup.com
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 Ronda J. Winnecour cmevf@chapter13trusteedpa.com

TOTAL: 12